

WASHINGTON METRO AREA MARKET WATCH

AUGUST 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2017 NET ABSORB. SF	FIRST HALF 2017 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %			
District of Columbia											
CBD	39,684,373	2,698,537	6.8%	7.9%	\$53.30	4,602,978	418,871	9.1%	2,160,836	79,000	159,000
East End	47,640,736	4,811,714	10.1%	11.3%	\$53.97	12,986,263	1,103,832	8.5%	2,768,598	(143,000)	(105,000)
Capitol Hill	5,111,638	434,489	8.5%	9.3%	\$53.90	1,280,453	128,045	10.0%	1,202,998	5,000	(46,000)
NoMa	10,831,624	769,045	7.1%	7.6%	\$47.33	6,419,350	442,935	6.9%	522,550	43,000	121,000
Capitol Riverfront	4,984,008	428,625	8.6%	9.0%	\$41.65	3,713,085	137,384	3.7%	365,000	40,000	65,000
Southwest	11,842,066	1,231,575	10.4%	10.7%	\$48.86	3,519,202	598,264	17.0%	757,010	(24,000)	(47,000)
Georgetown	2,964,995	151,215	5.1%	6.3%	\$48.78	127,308	27,753	21.8%	0	(6,000)	(6,000)
West End	3,892,187	315,267	8.1%	8.2%	\$53.33	432,900	0	0.0%	0	4,000	58,000
Uptown	10,596,233	1,165,586	11.0%	12.0%	\$42.06	346,000	7,612	2.2%	23,140	(21,000)	(53,000)
Total - August 2017	137,547,860	12,006,053	8.7%	9.7%	\$51.32	33,427,539	2,864,697	8.6%	7,800,132	(23,000)	146,000
Total - August 2016	136,973,027	12,508,234	9.1%	9.8%	\$50.65	32,688,094	2,860,572	8.8%	5,294,615		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,151,693	4,057,484	16.8%	17.6%	\$41.63	8,197,218	1,155,808	14.1%	727,781	283,000	691,000
Crystal and Pentagon Cities	14,098,585	2,312,168	16.4%	16.6%	\$35.99	2,115,372	473,843	22.4%	100,000	28,000	14,000
Old Town Alexandria	8,389,063	872,463	10.4%	11.6%	\$33.00	1,397,549	128,575	9.2%	0	25,000	8,000
Eisenhower Ave, I-395 Corr.	8,973,440	2,422,829	27.0%	27.2%	\$32.95	3,989,166	355,036	8.9%	700,000	9,000	(121,000)
Springfield/Huntington/I-95	8,030,384	1,517,743	18.9%	19.2%	\$28.19	2,536,220	798,909	31.5%	0	0	(40,000)
Bailey's/Falls Church/Annandale	7,382,823	1,853,089	25.1%	25.9%	\$28.75	715,940	204,759	28.6%	0	(44,000)	(96,000)
Merrifield	9,247,243	1,294,614	14.0%	14.8%	\$31.41	2,614,975	468,081	17.9%	0	(74,000)	(342,000)
Reston	18,797,053	1,466,170	7.8%	8.6%	\$29.40	7,583,252	462,578	6.1%	368,413	(94,000)	(38,000)
Herndon	12,253,982	1,862,605	15.2%	17.1%	\$27.97	7,441,429	1,212,953	16.3%	0	404,000	380,000
Tysons Corner	29,335,138	4,898,968	16.7%	17.4%	\$34.05	9,127,611	1,223,100	13.4%	1,556,775	29,000	(29,000)
McLean, Vienna	2,201,261	220,126	10.0%	10.0%	\$35.37	0	0	0.0%	235,000	2,000	(2,000)
Oakton, Fairfax City	5,840,759	770,980	13.2%	13.4%	\$24.05	499,139	95,336	19.1%	0	0	12,000
Fairfax Center	7,248,110	1,775,787	24.5%	26.1%	\$25.42	807,106	86,360	10.7%	150,000	(80,000)	(87,000)
Chantilly (Rt. 28 South)	13,887,593	1,805,387	13.0%	13.4%	\$25.15	8,818,587	987,682	11.2%	720,000	(139,000)	28,000
Loudoun County (Rt. 28 North)	16,200,417	2,349,060	14.5%	15.5%	\$23.78	10,510,834	1,576,625	15.0%	0	129,000	142,000
Prince William County	6,584,179	757,181	11.5%	12.0%	\$22.98	1,691,188	235,075	13.9%	53,000	71,000	(26,000)
Total - August 2017	192,621,723	30,236,654	15.7%	16.5%	\$31.14	68,045,586	9,464,719	13.9%	4,610,969	549,000	494,000
Total - August 2016	192,129,701	30,559,765	15.9%	16.6%	\$30.50	67,328,519	9,447,498	14.0%	3,647,848		

¹ Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. ² Does not include sublet space. ³ Class A includes buildings 50,000 SF or greater and built after 1997. SOURCE: CoStar, Transwestern

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AUGUST 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2017 NET ABSORB. SF	FIRST HALF 2017 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %			
Suburban Maryland											
MONTGOMERY COUNTY SUBMARKETS											
Bethesda/Chevy Chase	11,654,099	978,944	8.4%	9.5%	\$38.08	2,419,189	82,252	3.4%	360,000	(82,000)	(82,000)
North Bethesda	10,765,098	2,120,724	19.7%	19.9%	\$28.27	1,345,340	156,059	11.6%	0	43,000	(11,000)
Rockville	8,483,331	1,026,483	12.1%	12.3%	\$29.71	2,978,003	425,854	14.3%	0	(76,000)	(25,000)
North Rockville	12,380,046	2,030,328	16.4%	17.9%	\$26.98	4,923,319	871,427	17.7%	0	(62,000)	(95,000)
Gaithersburg	6,386,461	638,646	10.0%	10.1%	\$22.35	1,889,195	28,338	1.5%	0	0	20,000
Germantown	2,730,085	374,022	13.7%	13.8%	\$24.78	1,102,063	154,289	14.0%	0	5,000	30,000
Kensington/Wheaton	1,333,234	354,640	26.6%	26.6%	\$24.80	65,000	11,570	17.8%	0	(9,000)	(7,000)
Silver Spring	6,849,072	684,907	10.0%	10.6%	\$28.11	778,420	0	0.0%	121,724	(5,000)	15,000
N. Silver Spring/Rt. 29	3,492,988	342,313	9.8%	10.0%	\$23.80	315,538	0	0.0%	0	(28,000)	(28,000)
Total - Montgomery County	64,074,414	8,551,007	13.3%	14.0%	\$28.30	15,816,067	1,729,791	10.9%	481,724	(214,000)	(183,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,257,718	20.5%	20.5%	\$22.27	843,873	75,105	8.9%	0	(43,000)	31,000
Laurel	2,579,823	239,924	9.3%	9.3%	\$20.30	185,804	41,806	22.5%	0	8,000	5,000
Greenbelt	3,016,041	817,347	27.1%	27.7%	\$21.31	234,096	46,351	19.8%	0	15,000	30,000
Lanham/Landover/Largo	4,944,867	1,162,044	23.5%	23.7%	\$21.51	748,783	53,164	7.1%	75,000	(38,000)	(38,000)
Bowie/Marlboro/South P.G.	4,982,613	657,705	13.2%	13.2%	\$22.82	805,084	93,390	11.6%	0	10,000	30,000
Total - Prince George's County	21,658,556	4,134,738	19.1%	19.2%	\$21.83	2,817,640	309,815	11.0%	75,000	(48,000)	58,000
Frederick County	6,810,541	721,917	10.6%	10.7%	\$21.97	1,783,835	137,355	7.7%	0	20,000	75,000
Total - August 2017	92,543,511	13,407,662	14.5%	15.0%	\$26.76	20,417,542	2,176,961	10.7%	556,724	(242,000)	(50,000)
Total - August 2016	92,954,119	14,336,600	15.4%	15.9%	\$26.51	20,417,542	2,261,826	11.1%	283,515		

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AUGUST 2017

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q2 2017 NET ABSORB. (SF)	FIRST HALF 2017 NET ABSORB. SF
District of Columbia								
Total - July 2017	9,829,733	619,273	6.3%	6.3%	\$13.57	0	10,000	88,000
Total - July 2016	9,909,113	792,729	8.0%	8.0%	\$12.70	0		
Northern Virginia								
Beltway (I-495)	3,851,727	188,735	4.9%	5.4%	\$12.06	0	(19,000)	(39,000)
I-95 Corridor	25,333,635	1,925,356	7.6%	7.6%	\$8.83	0	139,000	123,000
Reston/Herndon	2,238,596	203,712	9.1%	9.4%	\$14.40	0	11,000	(2,000)
Dulles Corridor	35,361,550	3,041,093	8.6%	9.1%	\$9.89	254,156	(141,000)	(41,000)
Prince William County	18,974,765	853,864	4.5%	4.5%	\$7.67	761,469	19,000	142,000
Total - August 2017	85,760,273	6,212,761	7.2%	7.5%	\$9.28	1,015,625	9,000	183,000
Total - August 2016	85,943,856	5,761,506	6.7%	6.8%	\$9.22	145,507		
Suburban Maryland								
Prince George's County	56,965,126	4,500,245	7.9%	8.5%	\$6.93	334,034	(84,000)	(48,000)
Montgomery County	22,353,088	1,944,719	8.7%	9.2%	\$11.65	330,000	67,000	(28,000)
Frederick County	16,846,326	1,364,552	8.1%	8.4%	\$7.36	131,293	67,000	83,000
Total - August 2017	96,164,540	7,809,516	8.1%	8.6%	\$8.11	795,327	50,000	7,000
Total - August 2016	95,803,497	7,775,053	8.1%	8.3%	\$7.95	783,685		

1 Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. 2 Does not include sublet space.
SOURCE: CoStar, Transwestern

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METHODOLOGY

The information in this report is the result of a compilation of information on office and flex/industrial properties located in the Washington metro area. This report includes single-tenant, multi-tenant and owner-user office properties 15,000 SF and larger, excluding those properties owned by a government agency.



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